REMARKS

Claims 1-14, 16 and 17 are pending. The Examiner's reconsideration of the rejection is respectfully requested in view of the amendments and remarks.

Claims 1-14 have been rejected under 35 USC 112, first paragraph. The Examiner stated essentially that the claims contain subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. Specifically, the Examiner suggested that the terms "available surplus," "selecting a distance function," "a payment rule, a Threshold Rule Max, a Small Rule, a Reverse Rule, a Fractional Rule, and a Large Rule" are not supported by the specification.

Respectfully, Applicants are confused by the Examiner's maintenance of the rejection as the exact term "available surplus" appears in the detailed description at least 11 times, for example, at page 12, lines 26 to page 13, line 2 and page 13, lines 7-13. For example, the surplus is a difference between revenue and cost. Indeed an entire flow chart and its attendant description are dedicated to the description of "available surplus," see FIG 5.

Similarly, "a distance function" is described at, for example, page 11, lines 16-17, page 13, lines 21-26 and further described at page 5, lines 3-6, and further still in FIG 7 as block 702. A suitable distance function could be selected by one of ordinary skill in the art given the present disclosure, for example, depending on an application. Further still, each of the payment rule, Threshold Rule Max, Small Rule, Reverse Rule, Fractional Rule, and Large Rule are given specifically at page 5, lines 7-13 and in FIG 9.

In view of the foregoing, reconsideration of the rejection is respectfully requested.

Claims 1-14 have been rejected under 35 USC 112, second paragraph, wherein the Examiner suggested that "there is no definition, in the specification, of what constitutes 'available surplus'" nor "a payment rule, a Threshold Rule Max, a Small Rule, a Reverse Rule, a Fractional Rule, and a Large Rule."

Referring to the merits of the rejection, Claims 1 and 8 claim, *inter alia*, "wherein the available surplus is a difference between an asked for payment from sellers and a bid payment from buyers, and wherein the winning agents are sellers and buyers matched to one another."

The "available surplus" is a different between an asked for payment from sellers and a bid payment from buyers. One of ordinary skill in the art would understand the metes and bounds of the claims.

Each of the payment rule, the Threshold Rule Max, the Small Rule, the Reverse Rule, the Fractional Rule, and the Large Rule are particularly defined in the claims, see for example, Claims 7 and 14.

Other claims among Claims 1-14 are not specifically addressed by the rejection.

In view of the forgoing, the Examiner's reconsideration of the rejection is respectfully requested.

Claims 9-14 under 35 USC 112, second paragraph, wherein the Examiner suggested that "Claim 9 recites the limitation 'the method of claim 8' in a system claim."

Claims 9-14 have been amended, wherein "method" was been amended to "program storage device."

Reconsideration of the rejection is respectfully requested.

Claims 1-5 and 8-12 have been rejected under 35 U.S.C. 102(e) as being anticipated by Hertz et al. (US Patent App. No. 2001/0014868). The Examiner stated essentially that Hertz teaches all the limitations of Claims 1-5 and 8-12.

Claims 1 and 8 claim, "computing a Vickrey discount to said plurality of winning agents as the difference between available surplus with all agents present minus available surplus without said plurality of winning agents, wherein the available surplus is a difference between an asked for payment from sellers and a bid payment from buyers, and wherein the winning agents are sellers and buyers matched to one another."

Hertz teaches using offer demand summaries to estimate shoppers' interest (see page 16, second column). Hertz does not teach "computing a Vickrey discount to said plurality of winning agents as the difference between available surplus with all agents present minus available surplus without said plurality of winning agents, wherein the available surplus is a difference between an asked for payment from sellers and a bid payment from buyers, and wherein the winning agents are sellers and buyers matched to one another" as claimed in Claims 1 and 8. Hertz relates to a system for the automatic determination of which products a shopper, that is a buyer, would be most likely to by (see paragraphs [0002] and [0024]). Hertz is concerned with what the shopper is likely to buy. Hertz does not teach determining a discount for a shopper that has committed to a purchase, much less, computing a Vickrey discount to said plurality of winning agents as claimed in Claims 1 and 8. Hertz is concerned only with likely sales from the point of view of a buyer. Nowhere does Hertz teach or suggest a discount to a seller as a winning agent. Therefore Hertz fails to teach all the limitations of Claims 1 or 8.

Reconsideration of the rejection is respectfully requested.

Claims 6, 7, and 13-14 have been rejected under 35 U.S.C. 103(a) as being unpatentable over Hertz et al. (US Patent App. No. 2001/0014868). The Examiner stated essentially that Hertz teaches or suggests all the limitations of Claims 6, 7, and 13-15.

Claims 6 and 7 depend from Claim 1. Claims 13 and 14 depend from Claim 8. The dependent claims are believed to be allowable for at least the reasons given for Claims 1 and 8. Reconsideration of the rejection is respectfully requested.

Claims 16 and 17 are believed to be allowable for additional reasons.

Claims 16 and 17 claim "the computation of the Vickrey discount to said plurality of winning agents is performed after the exchange is cleared."

For example, Hertz's selects, presents, prices and promotes goods and services pre-sale. Hertz does not teach any activity after an exchange is cleared. Therefore, Claims 16 and 17 are believed to be in condition for allowance.

For the forgoing reasons, the present application, including Claims 1-14, 16 and 17, is believed to be in condition for allowance. The Examiner's early and favorable action is respectfully urged.

Respectfully submitted,

Dated: July 5, 2007

/Nathaniel T. Wallace/
Nathaniel T. Wallace
Reg. No. 48,909
Attorney for Applicant

F. CHAU & ASSOCIATES, LLC
130 Woodbury Road
Woodbury, New York 11797
TEL: (516) 692-8888
FAX: (516) 692-8889